

# KRESGE TO OPEN FOURTH K-MART HERE

## Homestead Road Store To Serve Northeast Area

A new K-mart Plaza—Houston's fourth S.S. Kresge Co. family discount shopping center—will open at 9 a.m. Thursday at 9929 Homestead Rd. in Northeast Houston, near the intersection of Parker and Homestead Roads.

The K-mart store is in a growing shopping center called K-mart Plaza, serving this rapidly developing part of Houston. Paul L. Marshall is manager of the new store.

The store, encompassing some 58,000 square feet, is part of the fastest-growing discount department store operation in the country. In 1962, three K-marts were opened simultaneously in the Houston area: The Long Point K-mart, the Pasadena or South Houston K-mart, and the Baytown K-mart. This is the first new store since that time, although company officials hint that other stores are planned for Houston soon.

During the grand opening, the Homestead Rd. K-mart will join with the other stores in offering special bargains on scores of items.

Features in the K-mart store are men's, women's and children's ready-to-wear, a giant toy department, an auto department with outside service facilities, a cafeteria and a large dry goods and notions department.

There also are a jewelry department and a camera department where complete instructions on photography will be given; a drapery and household goods section, and hardware and houseware divisions. At the south side of the store is a

patio section, featuring items for the lawn and garden, as well as outdoor furniture, and boats and motors.

Merchandise includes everything from brand-name TV sets and refrigerator-freezers to kitchenware, from candy to furniture.

"And everything is sold at discount prices with an unconditional guarantee," said Marshall.

Emphasized is brand-name merchandise, Marshall explained. In every department, he said, "our customers will find reliable brands with which they are familiar."

The new K-mart will employ 150 persons. It is one of 32 new K-marts being opened this year by the Kresge company, and is the 91st K-mart.

The S.S. Kresge Co., originally founded in 1897, concentrated its efforts in the Midwest and Northeast until the mid-1950s, when operations in the South and Southwest were begun.

The new store here, with 40 departments stocking 35,000 items, is typical of other K-mart operations in that although following the master plan of quality merchandise for discount prices, it will have considerable autonomy in its choice of merchandise designed to suit the needs of the customers in its area.

"We feel there is a real need for a K-mart store in this part of Northeast Houston," Marshall said, "and we are proud to be a part of the area's development."



FOURTH HOUSTON K-MART TO OPEN THURSDAY  
Homestead Road Store to Serve Northeast Houston

## MAYOR TO OPEN BRIDGE AND STORE

Mayor Louie Welch will cut the ribbon officially opening the new K-mart family discount shopping center Thursday morning, just moments after he cuts another ribbon opening an access road to the new store.

At 8:45 a.m., Mayor Welch is scheduled to snip the ribbon to open the Parker Road Bridge over Hall's Bayou. At 9 a.m. he will help open the nearby K-mart store. K-mart and Kresge Co. officials are expected to attend both ceremonies.

Opening of the Parker Road Bridge over Hall's Bayou will permit traffic to go directly to Homestead Rd. from Eastex Freeway over Parker Rd., which enters Homestead at the K-mart Plaza. Prior to the opening of Parker Rd. through to the Eastex Freeway, access to the K-mart Plaza has been via Tidwell Rd. off the freeway to Homestead, and north on Homestead to Parker.

## Customer's Request Started K-mart Idea

What sparked the K-marts, the Kresge family shopping plazas that are sweeping the South like a prairie fire?

Back in 1940 when the S. S. Kresge Co. was solely in the dime-store business, an angry complaint was lodged in the new store in Grosse Pointe, a fashionable suburb of Detroit.

That complaint started a chain of events that indirectly led to the founding of K-marts, those highly successful family shopping plazas which gave the Kresge company the biggest percentage sales increase for 1963 of any national retailer.

The complaint was from a young customer who showed the store manager a list of eight items that he couldn't find in the Grosse Pointe store but were in the Kresge store in downtown Detroit.

The manager persuaded the customer to let him have the list, then sent downtown for the items and delivered them personally to the customer's home.

Now President Cunningham likes people. He is keen to what motivates them and how this can make for more effective personnel and happier customers.

"Good merchandising is not enough for success in retailing today," Cunningham said recently. "It's just the first step. Retailing success depends on the ability of the store personnel to create a pleasant buying atmosphere for the customer."

"In a broader sense, success as a person and success in life stem from the same thing—the ability to bring something extra to dealing with your friends, your acquaintances and to every task you undertake."

Spectacular Rise And this philosophy displayed at the Grosse Pointe store brought him to the attention of top-rung management. From that time on, his rise was spectacular.

For the next 11 years he was promoted into posts of increasing responsibility—manager of larger stores, superintendent of stores, and finally, assistant sales director.

He was assistant sales director in 1951 when he helped pioneer the checkout system in the variety chain field, a move that put a marginal store into the profit column.

In less than two years, the checkout system was tried in 20 stores and worked the same magic. Cunningham was made sales director for the entire company in 1953.

During his second year in the Kresge family shopping plazas that are sweeping the South like a prairie fire?

that post, he was invited to sit new Kresge president became as a non-voting contributor at board of director meetings. At the time, he was 46 years old. Two years later, in 1956, it was made official—he was elected to the board.

Territory Expanded Kresge's top management had been watching the checkout experiment's success with keen interest. At this time they began making decisions that, in the late '50s, resulted in this type of operation becoming standard in shopping centers.

Stores Kresge's was to open in the 26 Northeastern and Midwestern states, Kresge's traditional territory.

In addition, they made plans to expand beyond their territory.

Leadership in executing the expansion mission was given to Cunningham. In 1957, as general vice-president he set to work with the Kresge real estate department to establish new territories in the South, Southwest and Far West.

Cunningham traveled more than 100,000 air miles in the next two years. He is also credited, at that time, with establishing Kresge stores in Puerto Rico.

Shopping Center Trend His first-person role of missionary to new territories ended in 1959, when Cunningham was elected president and chief executive officer of the company. He was 51 years old, the youngest president.

For instance, K-marts now deal in everything from toys to color TV sets, pet fish to women's fashions—all top quality goods, all of it guaranteed and obtainable on credit.

## McVinnie Is Region Manager

Top man for the S. S. Kresge Co. in the Southern Region, which includes Houston, is George F. McVinnie, with headquarters in Atlanta.

His responsibilities include 142 stores in 18 states. The stores are of three kinds: Kresge variety stores, Jupiter stores and K-marts.

Although each store manager has autonomy in order to tailor his store to the needs of his community, it is McVinnie's job to see that each conforms to company policy.

For instance, among other duties, he sees that quality of good remains high, that mark-ups remain low and that outstanding ability among personnel is rewarded.

McVinnie, promoted to regional manager from assistant in 1961, entered the S. S. Kresge management-training program in 1927, and was given his first store six years later. He managed stores for 15 years before he was promoted to district manager, a post in which he served seven years.

## Cafeteria Open

A cafeteria featuring lunches, suppers and light snacks is one of the highlights of the new K-mart discount shopping center. With store hours from 9 a.m. to 9 p.m., you can include a meal on your shopping trip.

## Fast-Growing Discount Chain Based on Successful '97 Idea

What's the reason for the success of the K-mart chain—the fast growing family discount department store system?

The key to their success is the philosophy to "have a low markup to create a fast turnover and rely on volume for profit."

Is it a new thought? Not on your life. S. S. Kresge adopted the philosophy back in 1897 when he launched a daring venture in the retail field.

Then 30 years old, Kresge had acquired \$8000 through his skill as a commission salesman of tinware. He had also acquired an understanding of a new type "dime store" business, the discount revolution of the last century—while calling on his accounts.

He took his \$8000 and bet it all on the success of a two-store partnership with J. G. McCrory, whose name also was to become famous as the founder of a chain of variety stores.

Their venture prospered and when the partnership dissolved two years later, Kresge retained the store in Detroit. It was the beginning of a chain that would become the second largest dime store chain in the world, centered mainly in the East and Midwest.

The dime stores are now long gone. And the S. S. Kresge Co. now has more than 855 stores of two major types—variety stores and discount stores. The variety

stores sell such big-ticket items as TV sets and power lawnmowers. The K-marts stock 35,000 items from car tires and fishing rod to clothing for the entire family.

Kresge, now 97 and still active in the chain (he's chairman of the board of directors) doesn't find discounting a vastly

## Kresge Development Is Recent in South

Although S. S. Kresge began his retail store ownership in the South, the S. S. Kresge Co., with its K-mart stores, is a relative newcomer to most of the South and Southwest, having been for years located largely in the Midwest and Eastern parts of the country.

It wasn't until the mid-1950s that the Kresge chain expanded in to the South.

Why? An informal agreement with another chain because of a similarity in names.

The other company was the S. H. Kress Co., and the agreement was that Kresge would not open stores below the Mason-Dixon line and Kress would not open them above it.

The agreement was kept by both parties until the mid-1950s when the rise of a new retail

new form of merchandising. It's like his policy in 1897. Buy quality goods and sell them at the lowest possible price, relying on the number of sales to make a profit—much the same kind of thing Henry Ford did later with the Model T, and like the modern techniques of discounting.

Along with the discount trend, another important factor was the increasing economical development of the South.

The Kresge chain was launched in 1897 when S. S. Kresge bought a half-ownership with J. G. McCrory in a dime store in Memphis. A year later, Kresge and McCrory bought a store in Detroit. Kresge liked the Detroit store, and he traded McCrory his half of the Memphis store and \$3000 for full ownership of the Detroit store.

## K-mart Offers Credit Plans

High-quality merchandise, at discount prices, and available on credit are basic tenets of the K-mart stores, says Paul L. Marshall, manager of the city's newest K-mart store on Homestead Rd.

"We have several credit programs," Marshall said, "including both a 21 and 60-day layaway, and revolving charge accounts." Application for either the layaway or the revolving charge may be made through the store's sales personnel, or at the credit office at the rear of the store.

## Stock All in Place

Stocking of the K-mart discount department store at 9929 Homestead Rd. has been under way for more than a week and will continue until just before the opening at 9 a.m. Thursday. As the vans of top-quality merchandise arrived, store manager Paul L. Marshall has been in charge of uncrating and distributing the products to the various departments.

## Bargains Offered

All of the special prices offered during the grand opening festivities for the new Homestead Rd. K-mart store are also good at the other three K-marts in the Houston area. These are the Long Point store, the Pasadena or South Houston store, and the K-mart in Baytown.



AUTO ACCESSORIES AT DISCOUNT PRICES  
Installation Services Are Also Available at K-mart



ENORMOUS DRAPERY, LINENS SECTION  
John M. Lewis, Operations Assistant, With Laverne Braswell